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FISCAL IMPACT STATEMENT

LS 6244

BILL NUMBER: HB 1023

NOTE PREPARED: Nov 17, 2005

BILL AMENDED:

SUBJECT: Addiction Treatment Facilities.

FIRST AUTHOR: Rep. Ayres

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill allows certain addiction treatment facilities to be located in a county that is contiguous to a county with an existing facility.

Effective Date: Upon passage.

Explanation of State Expenditures: *Summary:* There are 16 counties which have a population more than 40,000 and are contiguous to a county which currently has a methadone clinic. If all 16 of these counties were to open a methadone clinic, an additional 11 counties would then fall under the provisions of this bill, for a total of 27 new counties.

The Division of Mental Health and Addiction (DMHA) is responsible for conducting an annual site visit to all methadone clinics. Site visits are funded through an annual \$20 out-of-state resident fee collected for methadone services. The DMHA reports that the average cost per site visit is \$1,291. Depending on the number of additional clinics which may open, additional costs for the DMHA could range from approximately \$1,291 to \$34,857. It is assumed that the DMHA should be able to incorporate the cost of any new site visits within the current revenue it receives from out-of-state resident fees.

Methadone clinics must also approve biannual approval from the State Board of Pharmacy (Controlled Substances Advisory Committee). The fee for application and renewal is \$100. The state would experience an increase in revenue if additional methadone clinics apply for approval. Actual increases are dependent on the number of additional clinics which apply.

Background Information:

Division of Mental Health and Addiction: Currently, the DMHA may not grant approval to become a new provider of Methadone, Levo-alpha-acetylmethadol, Levo-alpha-acetylmethadol, Levomethadyl acetate, LAAM, or Buprenorphine unless (1) the drugs will be provided in a county with a population of more than 40,000; (2) there are no other providers located in the county or in a county contiguous to the county where the provider will provide the drugs; and (3) the provider supplies a needs assessment and any other information required to the DMHA.

This bill would allow the DMHA to grant approval to a new provider of one of the aforementioned drugs in a county contiguous to a county with a methadone clinic if they meet the previously mentioned requirements and there are no other providers of the drug(s) in the county in which the provider is seeking approval.

The state currently approves 12 methadone clinics, none of which are state- or county-funded. There are 16 counties which have a population of more than 40,000 and are contiguous to a county which currently has a methadone clinic. The number of these counties which would have a provider apply to operate a methadone clinic are unknown. If all 16 of these counties were to open a methadone clinic, an additional 11 counties would then fall under the provisions of this bill.

The DMHA is responsible for conducting an annual site visit to all methadone clinics. It currently visits clinics annually. Site visits are funded through an annual \$20 out-of-state resident fee collected for methadone services. In FY 2002, the state collected \$71,154 in fees. Of this, the DMHA spent \$22,957 for annual site visits to 12 clinics in FY 2003. [Note: This fiscal note will be updated when additional information becomes available.] The DMHA reports that the average cost per site visit is \$1,291. However, actual cost varies depending on the clinic size. Smaller clinics take approximately one and one-half days per visit, while larger clinics can take up to three days. It is assumed that the DMHA should be able to incorporate the cost of any new site visits within the current revenue it receives from out-of-state resident fees. Depending on the number of additional clinics which open, additional costs for the DMHA could range from approximately \$1,291 to \$34,857.

Number of Additional Clinics	Annual Cost*	Total Additional DMHA Site Visit Costs (Annual)
16	\$1,291	\$20,656
11	\$1,291	\$14,201
Total		\$34,857

*Note: Actual cost may vary depending on the actual size of the clinic.

State Board of Pharmacy: Methadone clinics must also receive biannual approval from the State Board of Pharmacy (Controlled Substances Advisory Committee). The fee for application and renewal is \$100. The state would experience an increase in revenue if additional methadone clinics apply for approval. Actual increases are dependent on the number of additional clinics which apply. This bill would increase the workload for the State Board of Pharmacy. Increases would be dependent on the total number of additional clinics which open. However, the State Board of Pharmacy reports that it should be able to incorporate the approval of any additional methadone clinics into its current workload. The Board is responsible for approving various entities across the state for controlled substance use.

Explanation of State Revenues: See *Explanation of State Expenditures*.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Division of Mental Health and Addiction; State Board of Pharmacy.

Local Agencies Affected:

Information Sources: Josh Bolin, State Board of Pharmacy, 234-2020; Andrew Guljas, Victory Clinical Services II, 574-233-1524; John Viernes, DMHA, 232-7913; STATS Indiana, *Population Estimates for Indiana Counties, 2004*, http://www.stats.indiana.edu/population/popTotals/2004_cntyest.html.

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